

Your guide to

Disabled Person's Tax Credit

For employees and the self-employed



**BETTER DEAL FOR
DISABLED WORKERS**

PASS IT ON

This leaflet is available in Braille, audiotape and large print. Contact your Inland Revenue office for copies.

Other leaflets you may find useful are

- DPTC/BK2 'Your guide to Disabled Person's Tax Credit Fast-Track'
- WFTC/BK1 'Your guide to Working Families' Tax Credit'
- WFTC/AP 'If you think a tax credit decision is wrong'
- COP 17 'Enquiries into applications for Working Families' Tax Credit and Disabled Person's Tax Credit'
- SA/BK3 'Self Assessment. A guide to keeping records for the self-employed'

Leaflets are available from Tax Offices, Inland Revenue Enquiry Centres and Benefits Offices. Addresses are in your local telephone book.

These leaflets are also available on the Internet at www.inlandrevenue.gov.uk

JTJ1 'Just the job'

Leaflets available from jobcentres.

LP15/NDLP 'New Deal for Lone Parents' A leaflet explaining what the programme can provide to help lone parents on Income Support find work'

Available from the New Deal for Lone Parents information line on **0800 868 868**.

URN 99/662 'A detailed guide to the minimum wage'

URN 99/663 'National minimum wage - a short guide for employers'

URN 99/664 'National minimum wage - a short guide for employees'

These leaflets are available by contacting the national minimum wage helpline on **0845 6000 678**.

Access to Work

Access to Work provides practical support for people with disability in or entering paid employment to help overcome work-related obstacles caused by disability.

Support includes funding for

- special aids and equipment
- adaptations to premises or existing equipment
- help with fares to work
- communicator support at interview
- support worker: for example, personal reader, carer, driver, job coach, communicator.

Access to Work is open to employed and self-employed disabled people. It provides a grant towards the extra employment costs resulting from disability. It funds 100% of approved costs for self employed and unemployed people as well as for job changers and those who need help with travel to work costs and communicator support at interviews. It provides 80% of the approved costs for those already in employment between a £300 threshold and £10,000; and all costs in excess of £10,000.

To apply you should contact the Disability Employment Adviser at your local Job Centre or Disability Service Team.

Employment service access to work scheme

HC11 'Are you entitled to help with health costs?'

You can get this leaflet from any Social Security Office or Main Post Office. GP's, dentists, opticians and NHS hospitals may also have copies.

RR1 'Housing Benefit - Help with your rent'

CTB1 'Help with the Council Tax'

Available from Post Offices and council offices.

BTWB20 'Back to Work Bonus'

CMB20 'Child Maintenance Bonus'

Available from Jobcentres, Social Security Offices and Post Offices.

Your local library or Citizens' Advice Bureau may also have copies of our leaflets.

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INTRODUCTION

Since October 1999, many people have been receiving extra cash help through Disabled Person's Tax Credit (DPTC).

DPTC is specifically designed to help people with an illness or disability to return to, or take up, work by topping up earnings. It is available to self-employed as well as employed disabled people.

It is administered by the Inland Revenue and replaced Disability Working Allowance (DWA), which was administered by the Department of Social Security or, in Northern Ireland, the Department of Health and Social Services. If you have claimed DWA before, many aspects of DPTC will be familiar to you.

DPTC is a much more generous scheme. It aims to ensure that disabled people are better off working.

Two of the main improvements are

- the relaxation of the qualifying benefit test, and
- the introduction of a DPTC Fast-Track from October 2000.

To be eligible for DPTC you must be getting, at the date of your application, one of the following benefits

- Disability Living Allowance
- Attendance Allowance
- War Disablement Pension which includes Constant Attendance Allowance for you or a mobility supplement for you
- Industrial Injuries Disablement Benefit which includes Constant Attendance Allowance for you
- an invalid carriage or any other vehicle provided under the invalid vehicle scheme, or

- you must be getting one of a range of incapacity benefits at any time in the 182 days before your DPTC application. See page 11 for more information.

From October 2000 a new DPTC Fast-Track will offer an alternative route to DPTC. This will help people who become sick or disabled while they are working to remain in work. People will be able to apply via this route if they

- have received Statutory Sick Pay, occupational sick pay, short-term Incapacity Benefit at the lower rate, Income Support on the grounds of incapacity for work or National Insurance credits on the grounds of incapacity for work for 20 weeks or more.
- have passed a disability test
- have provided evidence from a doctor that the illness or disability will last for at least a further six months, and
- will, on returning to work, be receiving earnings at least 20% less than they would have if they did not have the illness or disability.

For more general advice and information phone the Tax Credit Helpline on **0845 605 5858** or textphone **0845 608 8844**. The lines are open from 7.30am to 6.30pm Monday to Friday.

In Northern Ireland, the Tax Credit Helpline number is **0845 609 7000** or textphone **0845 607 6078**. The lines are open from 7.30am to 6.30pm Monday to Friday.

All calls are charged at local rates.

YOUR QUESTIONS ANSWERED

What is DPTC?

DPTC is a tax credit designed to encourage people with disabilities to return to, or take up, work. It is available to self-employed disabled people as well as to disabled people who work for an employer. It is much more generous than Disability Working Allowance, which it replaced, and includes extra money towards childcare costs. It helps to tackle many of the problems that people with a disability can face when moving into work or trying to stay in work. DPTC is administered by the Inland Revenue who will calculate your weekly entitlement and arrange for payment. See page 12 for more information.

Who is DPTC for?

It is for people on low to middle incomes, who are working 16 hours or more a week and who have an illness or disability which puts them at a disadvantage in getting a job. They can be single, married, living with a partner (a person they live with as if they were married) or lone parents.

What sort of work does DPTC apply to?

DPTC is available to people who are self-employed as well as to those who work for an employer.

How do I know if I can apply?

To apply you need to meet just four basic conditions

- work at least 16 hours per week
- have one of a range of incapacity or disability benefits or have been receiving certain benefits in the 182 days prior to your application (this is more generous than DWA, where the time limit was 56 days)
- have savings of £16,000 or less, (not counting your home, personal possessions and business capital if you are self-employed) and
- be resident in the United Kingdom. See page10 for more information.

How much DPTC can I get?

DPTC has five parts

- a basic tax credit of £55.15 for a single person or £84.90 for a couple or lone parent
- an extra 30-hour tax credit of £11.25 (where the applicant or partner works at least 30 hours per week)
- a tax credit for each child in the family, with different rates according to the child's age
 - £25.60 from birth to 16
 - £26.35 from September following the 16th birthday up to the day before the 19th birthday
- an extra disabled child's tax credit of £22.25, for each child who gets Disability Living Allowance or is registered blind or has been registered blind in the last 28 weeks
- a childcare tax credit worth up to 70% of eligible childcare costs up to a maximum cost of £100 a week for families who pay for childcare for one child and £150 for families who pay for childcare for two or more children.

The amount of DPTC for which a person qualifies is calculated by adding together the tax credits appropriate to that person's circumstances. The amount of tax credit actually payable depends on net earnings and other income after tax, National Insurance and half of any contributions to a personal or occupational pension have been taken off. If net income is above £71.10 per week for a single person, the maximum DPTC is reduced by 55 pence for each £1 of income above £71.10. If net income is above £91.45 for a couple or lone parent, the maximum DPTC is reduced by 55 pence for each £1 of income above £91.45. If net income is below these amounts, the maximum DPTC is payable. See page 17 for some DPTC examples.

Tax Credit Office staff on the Tax Credit Helpline can give you more information. You can call them on **0845 605 5858** or textphone **0845 608 8844**. The line is open from 7.30am to 6.30pm Monday to Friday. In Northern Ireland call **0845 609 7000** or textphone **0845 607 6078**. The line is open from 7.30am to 6.30 pm Monday to Friday.

All calls are charged at local rates.

Can I get help with my childcare costs?

Yes. Extra help with childcare costs is available through the childcare tax credit, which is part of DPTC. Up to 70% of eligible childcare costs are allowable up to a maximum cost of £100 a week for one child and £150 a week for two or more children. This means the childcare tax credit is therefore worth up to an extra £70 a week for families with one child and £105 a week for families with two or more children. See pages 15 and 16 for more information .

Are maintenance payments taken into account when calculating DPTC entitlement?

No. Maintenance payments are not taken into account in the calculation of your income when the amount of DPTC to which you are entitled is calculated. This means that if you or your partner are responsible for a child or young person you will be able to keep any maintenance that you receive in addition to your DPTC.

Anyone who submits an application for DPTC will not be required to co-operate with the CSA in seeking maintenance from a non-resident parent. But, if you are not getting maintenance, it is worth getting in touch with the CSA, although you are not obliged to, as they provide a free assessment and collection service. Any other queries you may have about how DPTC may affect you if you are either paying or receiving maintenance can be made to the CSA National Enquiry line **0345 133 133**. If you live in Northern Ireland they can be contacted on **0345 139 896**. Lines are open from 8.00am to 8.00pm Monday to Friday.

All calls are charged at local rates.

How is DPTC paid?

If you are self-employed, you will receive your DPTC direct from the Tax Credit Office. If you are employed, you will receive the first few instalments of DPTC direct from the Tax Credit Office. After that, if your employer operates Pay As You Earn (PAYE), he or she will be asked to pay DPTC along with your wages or salary. So you will receive your DPTC at the same frequency as you receive your wages or salary. See page 25 for more information.

How long will an award last?

DPTC awards will usually last for 26 weeks regardless of any change in your circumstances.

You can get more advice and information by phoning the Tax Credit Helpline on **0845 605 5858** or textphone **0845 608 8844**. The line is open from 7.30am to 6.30pm Monday to Friday. In Northern Ireland the Tax Credit Helpline number is **0845 609 7000** or textphone **0845 607 6078**. The line is open from 9.00am to 5.00pm Monday to Friday.

All calls are charged at local rates.

MAIN RULES

This section goes into detail about the five main rules.

- **Working 16 hours or more a week**

You must be working, on average, for 16 hours or more a week. You can be employed or self-employed, and you may have more than one job as long as the combined hours add up to 16 hours or more a week.

- **Capital**

If you, or you and your partner together, have more than £16,000 in capital, you will not be entitled to DPTC. Capital includes savings, lump sum payments, investments, the value of a second house or other houses and land. Some types of capital such as the house that you live in, your personal possessions and your business capital if you are self-employed are not counted at all. If you, or you and your partner together, have capital of between £3,000 and £16,000, a standard rate of weekly income is taken into account which will reduce the amount of DPTC you can get. See page 14 for more information.

- ## Residence

To apply for DPTC you must normally live in the United Kingdom and be present there on the date that you apply. Your partner must also normally live in the United Kingdom. If you live in England, Scotland or Wales you should apply for DPTC to the Tax Credit Office in Preston. If you live in Northern Ireland you should apply to the Tax Credit Office in Belfast. Full addresses are given on page 23.

You should seek further advice from the Tax Credit Helpline if either you or your partner are working elsewhere in the European Community, or if either of you are here from abroad and has some limit or condition on remaining in the United Kingdom.

- ## Disability Test

To get DPTC you must have a physical or mental disability which puts you at a disadvantage in getting a job.

- ## Qualifying Benefit Test

To get DPTC you must have one of a range of incapacity or disability benefits, or have been receiving certain benefits in the 182 days prior to your claim.

What is a qualifying benefit?

You must receive one of the following benefits at the date of application

- Disability Living Allowance
 - Attendance Allowance
 - War Disablement Pension which includes Constant Attendance Allowance for you or a mobility supplement for you
 - Industrial Injuries Disablement Benefit which includes Constant Attendance Allowance for you
 - an invalid carriage or other vehicle provided under the Invalid Vehicle Scheme
- or

You must have been getting one of the following benefits for at least one day in the last 182 days prior to the date of application

- Incapacity Benefit at the short-term higher rate or long-term rate
- Severe Disablement Allowance
- Income Support which includes a Disability Premium for you or a Higher Pensioner Premium for you
- Jobseeker's Allowance - income based, which includes a Disability Premium for you or a Higher Pensioner Premium for you
- Housing Benefit which includes a Disability Premium for you or a Higher Pensioner Premium for you
- Council Tax Benefit which includes a Disability Premium for you or a Higher Pensioner Premium for you.

Training for work

Access to DPTC is also available to help those undertaking training for work.

This will apply to disabled people if they start their training for work within 56 days of last receiving either

- short-term Incapacity Benefit paid at the higher rate, or
- long-term Incapacity Benefit, or
- Severe Disablement Allowance

and, when training stops, they start work and claim DPTC within a further 56-day period.

Training for work includes the following Government courses run by the Department for Education and Employment, and non-Government courses.

The Department for Education and Employment courses are

- Training for Work
- Youth Training
- Work Preparation.

The non-Government courses include any training received on a course which a person attends for 16 hours or more a week, the primary purpose of which is the teaching of occupational or vocational skills.

HOW DPTC IS WORKED OUT

If you satisfy the entitlement rules, the amount of DPTC that you will get depends on your circumstances, that is

- your net income and capital
- the number of hours you work each week
- the number and ages of your children, if you have any, and
- in certain circumstances, how much you pay in childcare.

Income

Income is all the money that you have coming in each week, whether received by you or your partner (if you have one). Your income and that of your partner are added together when DPTC is calculated and includes

Earnings

- take-home wages or salary (that is what is left after you have paid tax, National Insurance contributions and half of any money you pay towards a pension scheme, either through your employer or to a personal pension scheme). You may wish to check your employer is paying you at least the national minimum wage (see inside front cover for further information)

- commission, bonus, tips, retainers, profit-related pay and holiday pay
- self-employed earnings - these are calculated by deducting expenses, tax, National Insurance contributions and half of any money you pay towards a personal pension from actual receipts; only those expenses wholly and exclusively incurred in the course of the self-employed work are deducted
- earnings do not include any payment in kind other than living accommodation provided by reason of the employment and vouchers (other than childcare vouchers).

Other Income

- most Social Security benefits (but see the section below headed “Income that is not taken into account”)
- any assumed income from capital (see pages 14 and 15)
- payment of any Council Tax by your employer
- Statutory Sick Pay
- any occupational or personal pension.

Income that is not taken into account

If you qualify for DPTC and you or your partner, if you have one, are responsible for a child or young person, you are able to keep all of the maintenance that you receive.

The following Social Security benefits are also not taken into account

- Attendance Allowance
- Child Benefit
- Child Benefit (Lone Parent)
- Constant Attendance Allowance
- Council Tax Benefit
- Disability Living Allowance
- Guardian's Allowance

- Housing Benefit
- Maternity Allowance
- Statutory Maternity Pay
- Christmas Bonus (£10)
- any Social Fund payment
- War Pensioners' Mobility Supplement
- supplementary pensions for war widows, and
- Severe Disablement Occupational Allowance.
- Educational Maintenance Allowance

Capital

The value of personal possessions and your home is ignored when working out your capital for DPTC purposes. Your business capital (including, for example, land, buildings, machinery and stock) is also ignored if you are self-employed. Capital means the total of savings, investments, lump-sum payments, and the value of any houses and land owned by you or your partner and not occupied by you.

The first £3,000 of capital is ignored when calculating your DPTC. Capital with a value of between £3,000.01 and £16,000 will be taken into account by assuming a weekly income of £1 for each £250 of capital above £3,000. For example

Capital held	Assumed weekly income
£3,000.01 - £3,250.00	£1
£3,250.01 - £3,500.00	£2
£3,500.01 - £3,750.00	£3
£3,750.01 - £4,000.00	£4
£4,000.01 - £4,250.00	£5
£4,250.01 - £4,500.00	£6

The assumed weekly income will then be included when your income is added together to calculate how much DPTC you will get.

If you have capital of more than £16,000 you will not be eligible for DPTC.

Help with the cost of childcare

Some families may be able to get more DPTC each week to help with the cost of their paid childcare. This extra DPTC is called childcare tax credit and is worth up to 70% of eligible childcare costs up to a maximum cost of £100 a week for families who pay for childcare for one child and £150 for families who pay for childcare for two or more children.

This extra help is available to employed or self-employed

- lone parents working 16 hours or more a week
- couples where both partners work 16 hours or more a week, and
- couples where the applicant is working 16 hours or more a week and their partner is incapacitated.

To qualify for the help

- the child or children cared for must be of the qualifying age (from birth to the first Tuesday in September following their 15th birthday, or up to the first Tuesday in September following their 16th birthday if the child is in receipt of Disability Living Allowance, is registered blind or has been taken off the blind register in the last 28 weeks)
- the childcare must be provided
 - by registered childminders, nurseries, play schemes, or out-of-school clubs, or
 - for children aged 8 or over, by out-of-school clubs run by a school on school premises or by a local authority, or
 - on Crown property, for example a nursery or play scheme run by a Government Department for the children of employees.

A new scheme was introduced in April 2000 which enables providers of childcare for older children to be approved and consequently count as eligible childcare for the childcare tax credit. These 'Approved Providers' generally provide out-of-school care for 8's and over (such as Breakfast clubs, After-School clubs and Holiday play schemes). They are approved by 'Accredited Organisations' and can advertise that the cost of care that they provide is eligible for help through the childcare tax credit.

The DPTC calculation

The maximum weekly amount of DPTC is calculated by adding together the appropriate DPTC credits for your family circumstances and then looking at your family income.

Your total weekly income is compared to a set amount. This is £71.10 for a single person or £91.45 for a couple or lone parent. If your total income is at or below this set amount then you will be awarded the maximum DPTC. If your total income is above this figure your maximum DPTC will be reduced by 55 pence for each £1 of income exceeding this set amount.

EXAMPLES OF DPTC CALCULATIONS

The following examples are intended both to explain how the DPTC is calculated, and to give you an idea of how single people and families will benefit.

Remember, Child Benefit and any maintenance payments received are not counted as income when the DPTC is calculated.

Example 1

A single person aged 18 has take-home pay of £87 for work of less than 30 hours a week.

Income net of tax and National Insurance contributions	£87.00
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DPTC maximum amount:

Basic credit	£55.15
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Less 55% of income in excess of £71.10	
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(£87 - £71.10 = £15.90 X 55p)	- £ 8.75
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DPTC payable	£ 46.40
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Net income + DPTC	£133.40
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Total income	£133.40
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NB. This example does not include any benefits you may be receiving such as Disability Living Allowance.

Example 2

A self-employed lone parent with two children aged 6 and 10 has net earnings of £140 for work of less than 30 hours a week, Child Benefit and £30 a week maintenance.

Income net of tax and National Insurance contributions	£140.00
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DPTC maximum amount:

Basic credit	£ 84.90
Child credit (age 6)	£ 25.60
Child credit (age 10)	<u>£ 25.60</u>
Total	£136.10

Less 55% of income in excess of £91.45

(£140.00 - £91.45 = £48.55 X 55p) - £ 26.70

DPTC payable	£109.40
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Net income + DPTC	£249.40
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Child Benefit	£27.55
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Maintenance	£30.00
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Total income	£306.95
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NB. This example does not include any benefits you may be receiving such as Disability Living Allowance.

Example 3

A lone parent with one child aged 13 has take-home pay of £175 for work of more than 30 hours a week and Child Benefit. He/she pays eligible childcare charges of £85 a week.

Income net of tax and National Insurance contributions	£175.00
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DPTC maximum amount:

Basic credit	£ 84.90
30 hours credit	£ 11.25
Child credit (age 13)	£ 25.60
Childcare tax credit	£ 59.50
(70% of weekly charges of £85.00)	_____
Total	£181.25

Less 55% of income in excess of £91.45

(£175 - £91.45 = £83.55 X 55p) - £ 45.95

DPTC payable	£135.30
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Net income + DPTC	£310.30
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Child Benefit	£17.55
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Total income	£327.85
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NB. This example does not include any benefits you may be receiving such as Disability Living Allowance.

Example 4

A couple with one child aged 7 have take-home pay of £180 for work of less than 30 hours a week and Child Benefit.

Income net of tax and National Insurance contributions	£180.00
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DPTC maximum amount:

Basic credit	£ 84.90
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Child credit (age 7)	<u>£ 25.60</u>
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Total	£110.50
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Less 55% of income in excess of £91.45

(£180 - £91.45 = £88.55 X 55p)	- £ 48.70
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DPTC payable	£61.80
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Net income + DPTC	£241.80
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Child Benefit	£ 15.00
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Total income	£256.80
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NB. This example does not include any benefits you may be receiving such as Disability Living Allowance.

Example 5

A couple who are self-employed and have three children aged 10, 13 and 16, one of whom is disabled, have net earnings of £200 for work of over 30 hours a week and Child Benefit.

Income net of tax and National Insurance contributions	£200.00
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DPTC maximum amount:

Basic credit	£ 84.90
30 hours credit	£ 11.25
Child credit (age 10)	£ 25.60
Child credit (age 13)	£ 25.60
Child credit (age 16)	£ 26.35
Disabled child credit	<u>£ 22.25</u>
Total	£195.95

Less 55% of income in excess of £91.45

(£200 - £91.45 = £108.55 X 55p) - £ 59.70

DPTC payable	£136.25
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Net income + DPTC	£336.25
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Child Benefit	£35.00
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Total income	£371.25
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NB. This example does not include any benefits you may be receiving such as Disability Living Allowance.

Example 6

A couple, both working less than 30 hours a week with two children aged 3 and 7 have take-home pay of £265 and Child Benefit. They pay eligible childcare charges of £125 a week for both children.

Income net of tax and National Insurance contributions	£265.00
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DPTC maximum amount:

Basic credit	£ 84.90
Child credit (age 3)	£ 25.60
Child credit (age 7)	£ 25.60
Childcare tax credit	£ 87.50
(70% of weekly charges of £125)	
Total	£223.60

Less 55% of income in excess of £91.45

(£265 - £91.45 = £173.55 X 55p) - £ 95.45

DPTC payable	£128.15
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Net income + DPTC	£393.15
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Child Benefit	£25.00
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Total income	£418.15
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NB. This example does not include any benefits you may be receiving such as Disability Living Allowance.

HOW TO APPLY FOR DPTC

DPTC is administered by staff at the Inland Revenue's Tax Credit Offices in Preston and Belfast. All applications and correspondence about DPTC go to these offices.

Applications are made by post on form DPTC1, which is included in the DPTC application pack. You can get an application pack by phoning the Tax Credit Helpline **0845 605 5858** or textphone **0845 608 8844** (lines are open from 7.30am to 6.30pm Monday to Friday). In Northern Ireland call **0845 609 7000** or textphone **0845 607 6078** (lines are open from 7.30am to 6.30pm Monday to Friday). All calls are charged at local rates.

You can also get an application pack from Inland Revenue Enquiry Centres, Benefits Agency and Social Security offices and Employment Service Jobcentres.

A pre-paid envelope is included in the application pack. Your completed application form should be sent to

England, Scotland and Wales

Tax Credit Office
Inland Revenue
PO Box 178
Preston
PR1 0GQ

Northern Ireland

Tax Credit Office
Inland Revenue
Dorchester House
Great Victoria Street
Belfast, BT2 7WF

Filling in the application form

We have tried to make the application form DPTC1 as simple as possible to follow and complete. It is important that you provide all the necessary information and supporting evidence that is requested, for example, your National Insurance number which you will find on any correspondence from your Tax Office, or payslips. This will enable the Tax Credit Office to decide on your application quickly.

DPTC must be applied for by the person with the disability, who must also be working. Persons unable to act for themselves can appoint someone to act on their behalf.

Evidence of earnings

When you apply for DPTC, you will be asked to provide evidence of your earnings, so it is very important that you keep your payslips or other records of earnings.

If you work for an employer please send with your application form

- your last seven payslips if you are weekly paid, or
- the last four if you are paid any other way, for example, fortnightly or monthly, or
- if you have just started work and have yet to receive a payslip, you can give form TC200 (enclosed in the application pack) to your employer to complete.

If you are self-employed you can send in a set of accounts if they are less than 12 months old, or we will send you a form appropriate to your self-employment.

Evidence of childcare costs

If you qualify for extra help with the cost of childcare (see pages 15 and 16), you will need to provide information about the costs on form DPTC3 (enclosed in the application pack).

For people who have just started work

There are special arrangements for people who are about to start work or who have started work within the last five weeks. These arrangements enable a person's application to be cleared and payment issued, more quickly.

- For people who have been signing on as unemployed, the Client Adviser at your local Employment Service Jobcentre will be able to give you advice.
- For other people such as lone parents, staff at your local Benefits Agency Office, Social Security office or Inland Revenue Enquiry Centre can help. You can also talk to your New Deal for Lone Parents Adviser at your local Jobcentre.
- In Northern Ireland, both these services are provided by your local Social Security office.

These arrangements are for both employed and self-employed people.

HOW DPTC IS PAID

Self-employed applicants may be paid by either Automatic credit Transfer (ACT) or by order book.

ACT allows payments to be made directly into your bank or building society account fortnightly. Payment by Order Book is made by cashing weekly orders at the Post Office. Payments by both methods are made in arrears. You can choose how to be paid when you complete your application form (awards of £4 a week or less are normally paid as a lump sum at the start of the award period).

Employees are normally paid their DPTC with their wages or salary. The Tax Credit Office makes the initial payments fortnightly, a week in arrears and a week in advance. After that, your employer will pay your tax credit with your wages or salary at the same frequency as he or she pays your wages or salary. The Tax Credit Office will tell your employer how much to pay, when to start paying and when to stop. Your employer will be told only that you are receiving a tax credit, not specific personal details (for example, which tax credit you are receiving).

DPTC is usually paid at the same rate for a fixed period of 26 weeks and the amount will not usually change even if your circumstances change. So, even if your earnings go up in that time, you will still get the same amount of DPTC. A few weeks before the award runs out, you will be sent another application form which you should return as soon as possible if you are to be paid without a break. You will also be informed of the earliest date you can apply.

Further information will be included in the literature sent to you if your application is successful.

OTHER HELP FOR DPTC RECIPIENTS

On Starting Work

For people who have been out of work and receiving Income Support or Jobseeker's Allowance, there are several measures in place to help them move into work.

Lone Parent Benefit Run-on

If you are a lone parent and have been getting

- Income Support,
- Income based Jobseeker's Allowance

for more than 6 months when you first start full-time work, you may be able to keep your benefit for a further two weeks.

This money is for people who are starting permanent work and stay in employment for more than five weeks. If you receive this money, but give up work after less than five weeks, you may not be paid benefit again for the first two weeks afterwards. You will not, however, have lost anything by trying work, because of the extra benefit paid when you started.

You do not have to claim this separately, but you should tell the office dealing with your claim as soon as you know that you are starting work. If you have an Order Book, they will tell you if you can cash it for the extra two weeks, but you should not cash it without checking with the office.

Extended Housing Benefit/Council Tax Benefit payments

People who return to work after 6 months or more on Income Support or Jobseeker's Allowance may be able to get an extended payment of Housing Benefit and/or Council Tax Benefit for an extra four weeks after starting work. Application forms are available from Social Security offices and Jobcentres. Applications must be made within eight days of Income Support or Jobseeker's Allowance ending. Lone parents who get the benefit run-on (see above) do not need to do this - they will get the extra four weeks

Housing Benefit/Council Tax Benefit automatically. See the next section for more information about Housing Benefit and Council Tax Benefit once you have started work.

Back to Work Bonus

The Back to Work Bonus may give cash help of up to £1,000 on return to work if you have been out of work for three months or more and have worked part-time while you were getting Income Support or Jobseeker's Allowance. The bonus does not count as income for DPTC purposes. Leaflet BTWB20 gives more information and is available from Jobcentres, Social Security offices and Post Offices.

Child Maintenance Bonus

The Child Maintenance Bonus may give cash help of up to £1,000 on return to work if you have been getting Child Support Maintenance whilst you were getting Income Support or Jobseeker's Allowance. Leaflet CMB20 gives more information and is available from the office that deals with your Income Support or Jobseeker's Allowance.

Housing Benefit and Council Tax Benefit

People on low or middle incomes who have to pay rent or Council Tax may be able to claim Housing Benefit and Council Tax Benefit. Local councils run both schemes. Both Housing Benefit and Council Tax Benefit can be claimed whether someone is getting DPTC or not, although DPTC is taken into account when working out their entitlement. The cost of childcare is taken into account when assessing Housing Benefit and Council Tax Benefit entitlement.

Leaflets RR1 'Housing Benefit - Help with your rent' and CTB1 'Help with the Council Tax' are available from Post Offices or council offices.

In Northern Ireland you can find out more about help with paying your rent and/or rates from your nearest District Office of the Northern Ireland Housing Executive if you are a tenant, or from your Rate Collection Agency local office if you are an owner occupier.

The Social Fund

The Social Fund helps people with exceptional expenses, which are difficult to meet from regular income. Whilst receiving DPTC you may be able to get

- a Maternity Payment to help buy things for a new baby. Claims forms are available at Social Security offices
- a Funeral Payment to help with funeral expenses.

National Insurance credits for State Pension purposes

A person getting DPTC may be awarded National Insurance (NI) credits for State Pension purposes provided they reach state pension age after 5 April 1999. In order to get these credits, you must be an employed earner or a self-employed earner who has a small earnings exception. Married women who have chosen to pay reduced contributions cannot get these NI credits.

Help with NHS costs

While you are receiving DPTC, you may be entitled to help with NHS costs. If you want to find out more you can call Freephone 0800 917 7711 for advice or read leaflet HC11 'are you entitled to help with health costs'?

From October 2000 we will tell you if you are entitled to help with your health costs on your award notification.

**These notes are for guidance only and reflect the position at the time of writing.
They do not affect any right of appeal.**

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